

Regional Cooperation in the Pacific Area (I)

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The present study focuses on the development and regional cooperation issues in the Pacific region. It does not intend to be an extensive survey on this subject, of which importance is gradually recognised but to which few work has been devoted. Rather, it is a modest attempt at a general description of the issues as well as a concise analysis of the cooperation policy in this region. The negligence of the international community vis-a-vis this region is due to the fact that the Pacific has been divided into several hegemonical orbits of the big powers and the aspirations of regional people have hardly been transmitted into the world. It is a relatively recent phenomenon that the voices of the Pacific

Island people are being heard, thanks to publications of the University of the South Pacific and other local organizations and through the addresses of Pacific leaders and intellectuals in international conferences. We have made efforts to base our argument on the discussions with and opinions of island people rather than secondary material. The field study for this report was undertaken in July-August 1982 and the author is grateful for the cooperation and assistance given by regional organizations (in particular, the South Pacific Commission [SPC] and the South Pacific Bureau for Economic Cooperation [SPEC]), governments, NGOs, scholars and many people of the region.

This report will first discuss the general economic situation and particular economic problems of the island countries and the development strategies, taking into account island conditions, raised in this region. From this general overview, regional cooperation will emerge as one of the primordial issues in socio-economic development.

Next, we will see the existing framework for regional cooperation. SPC and South Pacific Forum/SPEC activities will be introduced. At the same time, several cooperation forums existing in the region, initiated by the Commonwealth, EEC and others, will be examined and their meanings discussed.

Thirdly, we will see the problems of Micronesia and French Territories, the political move of which will largely influence the situation in the Pacific in the years to come. The integration of these territories into the community will determine the future strength of the Pacific Island countries and the cooperation between these territories and other independent countries will be crucial in furthering this integration.

Fourthly, we will examine the different approaches of big developed countries of the Pacific rim to the island developing countries. We will compare the strategic approach of the U.S.A. with the "intra-regional" approach of Australia and New Zealand. The "Pacific Community" idea pushed forward by Japan is also examined for its implied relation to regional cooperation in this area.

Finally, we will study the role of the UN system for island countries as well as in promoting island cooperation. We will deduce several recommendations regarding the amelioration of the UN approach toward the Pacific area in order to promote ECDC/TCDC, which is, in general, considered one of the premises for economic self-reliance and a new international economic order in this region.

CHAPTER 1 Economic Interaction in the Pacific Area

1.1 Economy and Trade in the Pacific

For two centuries, the Pacific Islands have been divided and ruled by colonial powers. "Captain Cook" symbolizes this schism as well as the impact of western "civilization" on the lives of island people during this period. Normally, scholars divide this area into three different cultural areas: Polynesia, Melanesia and Micronesia. In this area, more than 1,200 languages are spoken⁽¹⁾, showing a rich cultural diversity in this region. During the history of colonial rule, however, two official languages dominated the area: English and, to some extent, French.⁽²⁾ English is spoken in ex-British colonies, a protectorate and a condominium: Fiji, Solomon Islands, Kiribati (ex-Gilbert, Phoenix and Line Islands), Tuvalu (ex-Ellice Islands), Tonga and Vanuatu (ex-condominium with France). These countries are members of the Commonwealth. English is also the official language (or one of the official languages) in ex-UN Trust Territories administered by Australia and associated states/dependencies of New Zealand: Papua New Guinea, Western Samoa, Cook Islands, Nauru (administered by Australia, New Zealand and the U.K.), Niue and Tokelau. English is also spoken in the UN Trust Territory of Micronesia administered by the U.S.A. (Northern Mariana, Federated States of Micronesia—FSM, Palau and Marshalls) and American Territories: American Samoa and Guam. On the other hand, French is the official language of French territories and an ex-condominium: New Caledonia, French Polynesia, Wallis et Futuna and Vanuatu (in Vanuatu, Bislama, a national language, is also an official language). Besides the cultural, linguistic and his-

torical divergence, a new criterion of classification has appeared in recent years: a political one. After 1962, when Western Samoa acceded to independence, nine countries became independent: Western Samoa, Nauru (1968), Tonga (1970), Papua New Guinea (1975), Solomon Islands (1978), Tuvalu (1978), Kiribati (1979) and Vanuatu (1980). There are several countries which have autonomous governments but which have been associated in some form with ex-metropolitan powers (these countries mainly delegate to the latter the conduct of defense and/or foreign affairs)⁽³⁾: the Cook Islands and Niue. Three autonomous governments of Micronesia (FSM, Marshalls and Palau) which opted for free association with the U.S.A. will be included in this category after the Compact of Free Association goes into effect. There are six territories that the Special Committee of 24 on Decolonization at the UN considers colonies or as non-self-governing in the Pacific (the names of the metropolitan powers are in brackets): Cocos Islands (Australia), Tokelau (New Zealand), Pitcairn Islands (U.K.), American Samoa (U.S.A.), Guam (U.S.A.) and the Trust Territory of the Pacific (U.S.A.). New Caledonia and French Polynesia are not in the list of territories with which the Special Committee is concerned because France has considered them their own "territoires d'outre-mer" and has refused to consider them as "non-autonomous." However, there is a strong political movement among the Kanaka people in New Caledonia, which aims at autonomy and independence and which took the power of the government council in June 1982. In French Polynesia, there is also an important segment of public opinion which aims at a larger autonomy. Therefore, we may add these territories, together with Wallis et Futuna, to the last category.⁽⁴⁾

According to this political classification, there are then independent countries, autonomous or freely-associated countries and still-dependent territories. We are mainly concerned with the independent and freely-associated countries when we discuss economic issues.

First, we will examine the main economic indicators of the Pacific countries (Table 1-1)

Table 1-1 Economic Indicators of the Pacific Countries (1980)

	Estimated Population (1000)	Land Area (km ²)	Maritime Zone (1000 km ²)	GNP (million Australian \$)	GNP/capita (Australian \$)	ODA (million Australian \$)	ODA/capita (Australian \$)
Cocos Islands	0.4	14	—	—	—	—	—
Cook Islands	18.5	240	1,830	17.4*	941	8.7	520
Fiji	619.0	18,272	1,290	923	1,465	27.7	47
Guam	100.0	541	—	396**	4,125	83.8	857
Kiribati	57.3	690	3,550	21	354	16.3	140
Nauru	7.3	21	320	—	—	0	0
New Caledonia	139.0	19,103	1,740	931***	6,699	173.4	955
Niue	3.6	259	390	2.8*	774	2.9	1,222
Papua New Guinea	2,944.0	462,243	3,120	2,257	750	251.6	82
French Polynesia	144.6	3,265	5,030	932	6,292	139.8	944
American Samoa	31.4	197	390	112	3,442	35.4	1,091
Western Samoa	155.0	2,935	120	44****	304	12.0	135
Solomon Islands	217.7	28,530	1,340	124	549	27.2	137
Tokelau	1.6	10	290	0.9***	558	1.6	1,063
Tonga	95.8	699	700	39***	395	11.3	134
Trust Territory of Pacific Islands (TTPI)	132.5	1,832	6,200	94	705	150.6	1,101
Tuvalu	7.4	26	900	3.7***	504	3.9	573
Vanuatu	114.5	11,880	680	54***	468	38.0	325
Wallis et Futuna	10.2	255	300	8.9***	875	7.3	676

(Source) South Pacific Commission, *South Pacific Economies 1980: Statistical Summary*, Noumea, 1982, Tables 2, 3 and 12.
 *1978 **1976 ***1979 ****1977

In the Pacific area, the population of 22 countries and territories (we count TTPI as 4 territories) listed in Table 1—1 is approximately 5 million, of which 3 million (60%) live in Papua New Guinea. Another 2 million are scattered over 21 countries and territories and on thousands of islands which are themselves dispersed along 38.9 million km². Fiji, with a population of 649,000, ranks second. The land areas of the Pacific are 553,910 km², which corresponds to the total land area of France, but if we exclude Papua New Guinea, which accounts for 84% of the total land area, the remaining 92,000 km² corresponds to that of Portugal. The average land area for each country/territory is 4,000 km². Even Papua New Guinea, a giant in the Pacific, may be considered a “small” state in the international forum, from the point of view of population or GNP. That is why some scholars refer to these island states as “mini-states.”⁽⁵⁾

Several economic problems particular to a small island country stem from this smallness in size.⁽⁶⁾ First, there is a diseconomy of scale for industry: in today's industrial world, mass-production has become so common and initial investment cost has become very high.⁽⁷⁾ If industry cannot find a sufficient outlet, its average cost will increase. Suppose we established a small canned tomato factory of 200 t/d: this factory could not be supported by a market of 2 million people (each person would have to consume 30 cans a year). For a market of one hundred thousand people, an industry using modern technology would be difficult to establish. Secondly, the smallness of the land area or population would limit the resource base, both for natural and human resources. The production range would be limited and imports of material would be costly. This makes inputs for production expensive. As well, the limited population/human resources may have an unfavorable impact on the possibility of innovation. Thirdly, the social and economic infra-structure for a small population tends to be expensive and prevents industry from benefiting from external economy. The governments should also invest a relatively-substantial amount in social expenditures (health, education, transport, etc.) as private business would not be interested in it. Fourthly, these factors lead to a concentration on production of several primary products and a larger depend-

ency on the overseas market (both raw material and final products) which makes a country's economy vulnerable to the conjuncture of the outer-world. Even for Fiji, where small-scale industries are rapidly developing, the major export items remain sugar, coconut oil, fish and gold.

The problem of smallness is often overlapped by the problem of remoteness. The island countries scattered over a very wide area are, among themselves as well as between the islands that form their territory, removed from the neighboring markets. This remoteness causes problems in transport and communication and imposes the real costs for an economy. Thus, an UNCTAD report pointed out: "Many developing island countries face major difficulties in respect of transport and communications and their distance from market centres and are therefore seriously hampered in their economic development."⁽⁸⁾ As another document says, "either smallness or remoteness can create difficulties; the combination imposes particular burdens."⁽⁹⁾

We have to point out at the same time, however, that the Pacific Island countries control very large maritime resources. For example, Micronesian countries control over 6 million km² and French Polynesia 5 million km² (the land area of Europe is 3.9 million km²). They have enormous potential for exploiting maritime resources contained in one-twentieth of the globe's total surface. In fact, in the Pacific, the lives of people were and are supported mainly by agriculture and fisheries. These have occasionally been complemented by mining and tourism.

If we look at the GNP side, we immediately see that GNP/per capita is generally higher in this area than in many countries of the Third World. Except in American and French territories (Guam, American Samoa, New Caledonia and French Polynesia), where GNP/capita figures are particularly high because of tourism and/or mining revenues and a substantial existence of metropolitan people, firms and military bases, these figures range between US\$300 and 900⁽¹⁰⁾ (in the case of Fiji, where the per capita income amounted to US\$1,465 in 1980, this average figure is somewhat distorted due to the existence of a strong Indian-origin community). Not even in

the countries in which per capita income is relatively lower do we see the phenomenon of absolute poverty prevalent in many other developing countries. Though relatively simple in terms of consumption-oriented civilization, people's lives are imbued with a sort of "affluence" and ease connected with the subsistence economy.⁽¹¹⁾

However, we see from Table 1-1 (and 1-2) that the Pacific Island countries are heavily dependent on external (mainly metropolitan) assistance. Even if we compare the annual inflow of per capita/ODA for Fiji, Papua New Guinea, Western Samoa, Solomon Islands, Tonga and Kiribati, which is lowest (between US\$47-140) in this region, with the average figure of ODA/capita for developing countries (US\$15, excluding China) for 1979, the figure for external assistance are considerably high. Again, these are territories or dependencies of western powers which receive very high amounts in assistance: New Caledonia \$955, American Samoa \$1,091, French Polynesia \$944, Guam \$857, TTPI \$1,101 and Wallis et Futuna \$676. The associated states and dependency of New Zealand are also heavily dependent on aid which often far surpasses their GNP/capita: Niue \$1,222 (GNP/capita \$774), Tokelau \$1,063 (GNP/capita \$558), and Cook Islands \$520 (GNP/capita \$941). Some other island countries that lack resource bases are also recipients of relatively-substantial sums in assistance: Tuvalu \$573 (GNP/capita \$504) and Vanuatu \$325 (GNP/capita \$468).

This heavy dependence on external assistance could be explained by the following factors.

First, the Western powers traditionally considered the Pacific Islands marginal in their colonial policy. The latter served the former mainly as ports of call to assure the former's strategic maritime routes to the "Far East." Sometimes they are interested in raw materials produced in this region, such as nickel, phosphates, timber, coconut, sugar, etc., but imports of these are relatively small in comparison with the imports from Asia and Africa (except nickel from New Caledonia and phosphates from Nauru). That is why the metropolitan powers were not interested in the development of this region. They also imported manpower from other parts of Asia,

especially Indians to Fiji, Vietnamese to New Caledonia and Japanese to Micronesia; these immigrants mainly worked in the modern sector, leaving "indigenous" people in the so-called "traditional" sector.

Secondly, these islands are composed of three main geological formations: volcanoes, coralline limestone caps and atolls.⁽¹²⁾ Except for Papua New Guinea and New Caledonia, these small islands, especially the more eastern part of the Pacific, are rather deprived of natural resources, beginning with good soil. The name given to New Zealand by the Niueans, "Palataiso" (paradise)⁽¹³⁾, shows this feeling of deprivation among the island people. However, as we pointed out earlier, these islands are favored with a huge potential for development of maritime resources. The metropolitan countries were never interested in developing these resources for the sake of island people. Even the potential for agricultural development (except coconuts and other few commercial products) was seldom explored. On the contrary, they have often transferred substantial amounts of "aid" (especially after the Second World War) to the islands. At the outset, it was necessary to keep a relatively costly administration base, but this practice was rapidly rooted on the metropolitan-island relations, because of international pressure on colonial powers as well as rapid rise of expectations and demands by people of the islands. The aid practice tended to be associated with the alienation of people from the traditional vocations of agriculture and fisheries. Thus, it has become normal, in the majority of cases, that the island people constantly depend on external resources.

Thirdly, the development of an appropriate education system or vocational training had been largely neglected. One reason relates to the same reason that we mentioned earlier: the Pacific Islands were nothing more than a maritime base for the metropolitan powers. Another reason may be the costs of education development due to the sparse population of many island distant from each other. Very often, education was left to the hands of a private sector: missionaries. That is why the Pacific Island countries are still suffering from a lack of trained human resources.

Even if the education system seems developed at first sight, as in the case of the American territories and TTPI, the whole system was geared on the metropolitan-oriented education: it has deliberately neglected to develop local languages forged and developed through centuries of local history.⁽¹⁴⁾ This metropolitan attitude has impeded and/or distorted the development of appropriate education in the islands. This created a serious obstacle to the possible innovations based on local reality.

Thus, the Pacific Island countries benefit from a relatively-higher per capita income, but they suffer from the characteristics of small and island economies. Most of them lacked a human and

Table 1-2 Trade of Pacific Island Countries (1980)

(A\$ million)

	Exports	Imports	Trade Balance	Exports/ Capita (A\$)	Imports/ Capita (A\$)	Per Capita Trade Balance (A\$)
Cook Islands	3.6	20.4	-16.7	202	1,137	-935
Fiji	328.6	493.3	-164.7	522	783	-261
Guam ⁽²⁾	38.1	398.0	-360.0	381	3,980	-3,599
Kiribati	2.4	16.9	-14.4	41	288	-246
Nauru ⁽¹⁾	67.3	10.6	+56.7	9,215	1,446	+7,769
New Caledonia	350.1	398.2	-48.1	2,492	2,834	-342
Niue	0.27	2.92	-2.65	80	884	-804
Papua New Guinea	898.3	888.5	+9.8	299	296	+3
French Polynesia	26.5	477.6	451.0	180	3,225	-3,145
American Samoa	111.5	83.5	+28.0	3,442	2,577	+865
Western Samoa	15.5	56.4	-40.9	100	362	-262
Solomon Islands	64.0	64.8	-0.8	284	288	-4
Tokelau	0.03	0.32	-0.29	20	199	-179
Tonga	6.8	30.1	-23.4	69	309	-240
TTPI ⁽²⁾	21.9	71.5	-49.6	161	526	-365
Tuvalu	0.09	3.15	-3.1	11	420	-409
Vanuatu	31.4	63.8	-32.4	268	538	-270
Wallis et Futuna	0	6.1	-6.1	0	571	-571
SPC-Developing Area Total ⁽²⁾	1,839	2,606	-767	396	561	-165

(Source) South Pacific Commission, *South Pacific Economies 1979: Statistical Summary*, Noumea, 1982, Table 4; id., 1981, Table 4.

(1) The trade statistics for Nauru were compiled from trade statistics for Australia and New Zealand (in 1979) and do not include its trade with other countries.

(2) 1979 Estimates.

natural resource base for contemporaneous development and are heavily dependent on external assistance. At the same time, as modernization and education progress, many of them suffer from increasing unemployment and emigration of their educated youth abroad. This problem will be examined in the next section.

Another characteristic of this outward-lookingness is shown in their heavy dependence on trade. The trade of the Pacific Island countries is shown in Table 1-2. The per capita imports amount to A\$200-4,000 for countries whose per capita GNP is A\$300-4,800. We understand that these imports are largely to be financed by foreign assistance.

The Pacific Island area is, at the same time, heavily in deficit to outside countries. In 1980, SPC developing countries and territories imported A\$2,606 million and exported A\$1,839 million, leaving an A\$767 million deficit. There were only three surplus countries in this region: American Samoa, Nauru and Papua

Table 1-3 Export Structure of Pacific Island Countries (1979)

(%)

	Food and Beverage	Raw Materials and Fuels	Manufactured Goods	Other	Re-exports
Cook Islands	53.2	28.1	18.4	—	—
Fiji	66.2	11.8	18.7	3.3	22.0
Kiribati	0.8	99.1	—	—	—
New Caledonia	1.0	8.4	83.6	—	8.0
Niue	57.1	35.4	7.5	—	—
Papua New Guinea ⁽¹⁾	31.7	57.7	1.4	0.9	8.3
French Polynesia	4.8	22.4	12.8	—	61.0
American Samoa ⁽¹⁾	99.6	—	3.4	—	—
Western Samoa	38.0	55.9	2.1	4.0	1.4
Solomon Islands	30.9	66.9	—	0.5	1.7
Tokelau	100.0	—	—	—	—
Tonga	34.3	53.2	1.6	0	10.9
TTPI ⁽¹⁾	18.0	78.4	3.4	0.2	—
Tuvalu	1.6	92.6	—	—	5.8
Vanuatu	92.0	7.9	0.1	—	—

(Source) Calculated from South Pacific Commission, *Statistical Bulletin of the South Pacific No. 18: Overseas Trade 1979*, Table 8.

(1) 1978-79 Figures

Table 1-4 Import Structure of Pacific Island Countries (1979)

(%)

	Food and Beverage	Raw Materials and Fuels	Manufactured Goods	Machinery and Transport Equipment*	Others
Cook Islands ⁽¹⁾	26.3	9.9	63.4	21.6	0.4
Fiji	16.9	20.7	59.2	22.5	3.2
Kiribati	39.9	16.3	43.2	16.8	0.6
New Caledonia	20.3	22.3	57.2	20.9	0.2
Niue	39.9	17.3	42.8	6.4	—
Papua New Guinea ⁽²⁾	22.8	14.1	63.1	31.5	4.1
French Polynesia	21.5	11.3	67.0	21.1	0.2
American Samoa	18.1	27.6	44.4	(25.0)	9.8
Western Samoa	23.2	11.6	28.8	36.0	0.4
Solomon Islands	16.4	14.4	68.8	37.4	0.4
Tonga	33.1	12.9	53.6	22.0	0.4
TTPI ⁽³⁾	44.8	14.3	40.9	12.5	0
Tuvalu	49.1	10.5	37.7	11.6	2.7
Vanuatu ⁽⁴⁾	23.7	6.4	58.0	21.3	11.9

(Source) Calculated from South Pacific Commission, *Statistical Bulletin of the South Pacific No. 18: Overseas Trade 1979*, Table 6.

(1) 1978-79 figures

(2) 1975-76 figures

(3) 1977-78 figures

(4) 1975 figures

* This does not represent a separate estimate but the percentage of manufactured goods which are machinery and transport equipment.

New Guinea. Kiribati, traditionally a trade surplus country because of phosphate rock exports, ran into heavy deficit after the exhaustion of its phosphate resource.

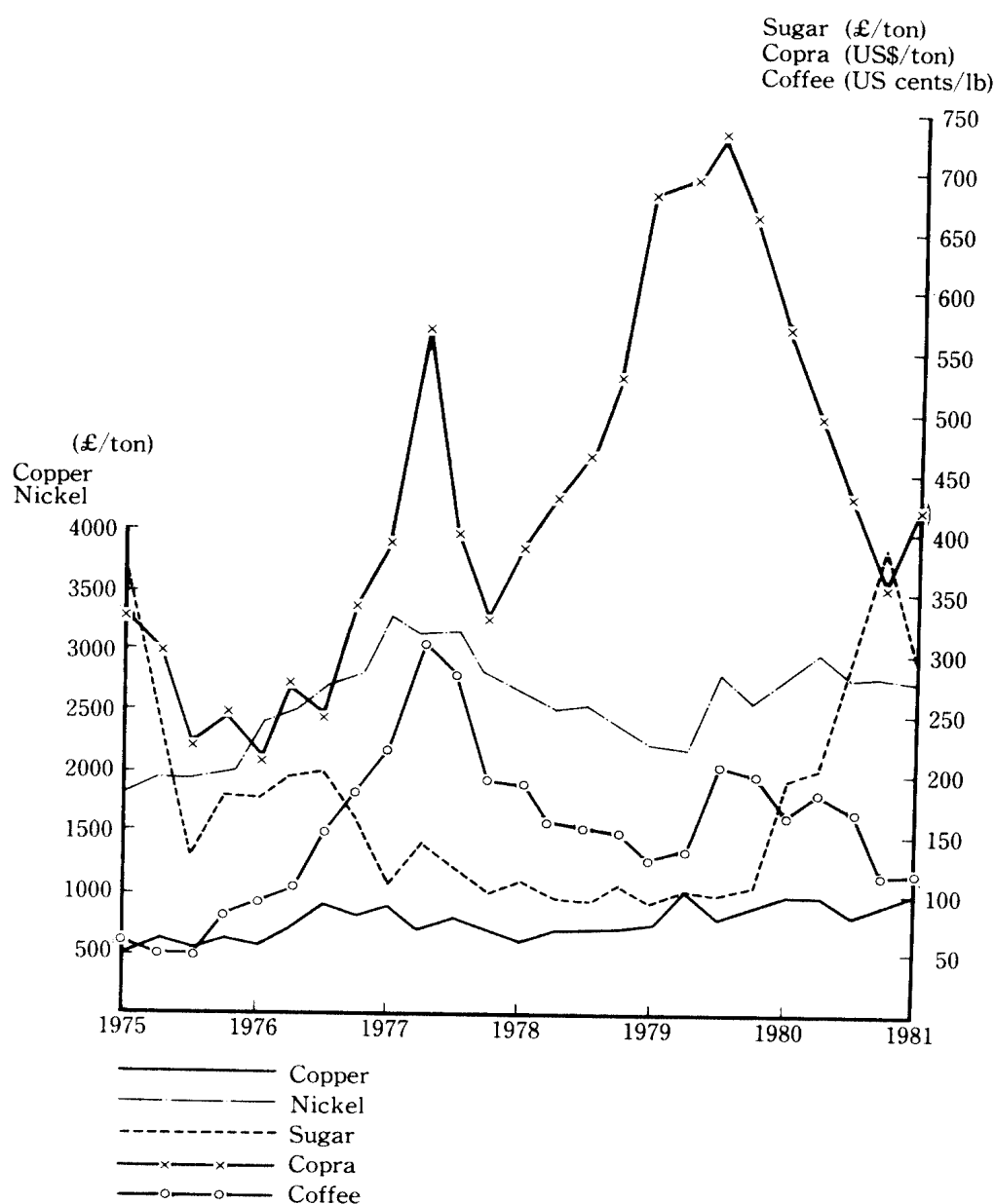
Thus, the Pacific Island countries have open economies, dependent on trade, but these economies are also vulnerable due to their colonial-style trade structure.⁽¹⁵⁾

Tables 1-3 and 1-4 show the export and import structure of these countries. Almost all countries mainly export food (fish and coconut/copra from many of them, fish and sugar from Fiji, cocoa and coffee from Papua New Guinea and Vanuatu, fruit and fruit juices from Cook Islands and Tonga) and raw materials (phosphates from Nauru and Kiribati, wood from Papua New Guinea and Solomon Islands, copper from New Guinea, nickel

from New Caledonia).⁽¹⁶⁾ We may note that for some countries (Fiji, French Polynesia, Tonga, New Caledonia and Papua New Guinea) the percentage of re-exports is important, showing the character of “entrepôt” for principal islands.

The Pacific Island countries mainly import food and manufactured goods. These items account for 80–90% of almost all of the importation of the islands. However, we may note that, for several countries, the share of machinery/transport equipment

Figure 1-1 World Market Prices of Principal Export Products, 1975-1981



is relatively high (20–30%), which shows the beginning efforts of industrial development.

Because of this trade structure, the island countries suffer from a fluctuation of prices for primary products as well as worsening terms of trade in a time of world depression. As commodity prices fluctuate widely in the world market, the result is an extreme instability in export revenue in the Pacific Islands. For example, in January 1975, sugar was £365/ton but it dropped to £93/ton in January 1979, a drop rate of 75%. In April 1979, copra was US\$735/ton but it dropped to US\$430/ton one year later, showing a 42% drop. Figure 1–1 shows this fluctuation for some characteristic export products of the Pacific countries. Thus, the island economies are vulnerable to inflation and the worsening terms of trade.⁽¹⁷⁾

Lastly, we will see the trade direction of island countries. Table 1–5 and 1–6 show the major trade direction in percentage. These tables reveal that the majority of the island countries trade with ex-metropolitan countries: Australia, New Zealand, the U.S.A., France and the U.K. Fiji, Papua New Guinea, Solomon Islands and Western Samoa have a relatively-diversified trade destination.

The intra-regional trade among developing island countries is less than 2% (in 1979).⁽¹⁸⁾ This is one of the regions where the share of intra-regional trade is the lowest. Table 1–7 shows the intra-regional trade in 1980. Here we see that the key countries in intra-regional trade are Fiji and Papua New Guinea. The former is a relatively-advanced industrializing country and the latter a relatively resource-endowed big nation. American Samoa imports fish from the region and cans and exports them to the U.S.A. We may note that even a small portion of American Samoa's intra-trade is mainly done through several principal countries in this region. The need for developing an infrastructure in and communication/transport among small island countries is very serious and becomes a basic prerequisite if one intends to be in favor of an economy which has more orientation to collective self-reliance and a new international economic order in this region.⁽¹⁹⁾

Table 1-5 Export Direction of the Pacific Island Countries (1979)

(%)

From	To	Australia	New Zealand	SPC Developing Area	Europe			U.S.A.	Japan	Asia	Others
					U.K.	France	Others				
Cook Islands		—	86.7	—	—	—	—	1.3	—	—	—
Fiji		9.2	9.6	5.2	37.0	—	0.3	15.1	1.3	2.4	19.8
Kiribati		47.5	37.1	0.2	14.5	—	—	3.2	0.2	0.1	—
New Caledonia		0	0	3.4	0	59.8	1.5	13.5	21.1	0.5	0
Niue		0.5	97.6	1.9	—	—	—	—	—	—	—
Papua New Guinea		8.1	0.6	1.9	5.6	0.7	27.2	8.7	31.3	4.2	3.5
French Polynesia		0.1	0.3	8.5	0	60.5	20.8	7.8	1.1	0.3	0.6
American Samoa		1.5	—	—	—	—	—	99.5	2.9	0.4	—
Western Samoa		1.2	21.4	12.1	0.7	—	55.4	—	—	0.1	9.0
Solomon Islands		1.6	0.7	15.9	17.7	3.2	18.7	5.7	23.8	4.0	8.6
Tonga		37.2	32.6	15.1	0	0	0	1.5	4.6	8.7	—
Vanuatu		0	0	2.9	0	40.1	22.2	26.8	0.5	1.3	1.3
SPC Developing Area - Total		9.1	4.3	—	8.6	13.1	16.8	17.5	22.1	3.2	5.1

(Source) Calculated from South Pacific Commission, *Statistical Bulletin of the South Pacific No. 18: Overseas Trade 1979*, Table 3.

Table 1-6 Import Direction of the Pacific Island Countries (1979)

(%)

	Australia	New Zealand	SPC Developing Area	Europe			U.S.A.	Japan	Asia	Others
				U.K.	France	Others				
Cook Islands	6.6	62.4	0.5	4.7	0.3	2.4	2.8	10.7	6.6	2.1
Fiji	35.3	15.0	0.2	8.9	0.5	2.1	5.7	14.3	11.8	6.2
Kiribati	58.5	6.3	9.7	8.1	0	1.0	4.5	5.5	5.7	0.6
New Caledonia	10.8	4.1	4.3	—	40.5	10.8	4.1	4.3	12.4	8.6
Niue	0.3	80.0	14.0	0.2	—	—	0.4	3.2	1.9	0
Papua New Guinea ⁽¹⁾	46.6	1.4	0	5.3	0.2	4.2	7.0	14.4	17.0	2.1
French Polynesia	3.3	4.5	0.4	1.8	50.4	11.0	19.0	2.7	5.7	1.1
American Samoa	2.0	7.4	2.6	0	—	0	69.8	16.2	1.5	0
Western Samoa	16.6	24.7	3.0	2.5	0	22.2	0.3	11.0	10.3	9.4
Solomon Islands	29.9	6.3	3.8	13.5	0	2.8	3.6	18.0	20.2	1.5
Tonga	27.3	34.3	5.3	5.8	0	1.5	3.5	8.1	10.6	0.5
Vanuatu ⁽²⁾	29.9	4.0	9.6	5.1	25.1	8.3	2.6	7.8	9.6	0.3
SPC Developing Area - Total	23.6	6.3	—	3.8	14.0	5.6	13.9	9.9	11.5	11.4

(Source) Calculated from South Pacific Commission, *Statistical Bulletin of the South Pacific No. 18: Overseas Trade 1979*, Table 3.

(1) The reference date is 1975-76, after which the breakdown of import statistics is not available.

(2) The reference date is 1975, after which the breakdown of import statistics is not available.

Table 1-7 Intra-regional Trade (1980)

(A\$ Thousands)

From	To	Cook Islands	Fiji	Kiribati	Nauru	Niue	New Caledonia	Papua New Guinea	French Polynesia	American Samoa	Western Samoa	Solomon Islands	Tonga	Tuvalu	Vanuatu
Cook Islands		—	—	—	—	—	—	—	4	—	—	—	—	—	—
Fiji		50	—	583	134	9	369	138	439	514	1,624	202	1,072	584	465
Kiribati		—	10	—	—	—	—	—	—	—	—	—	—	—	—
Nauru		—	1	—	—	—	0	—	—	—	—	—	—	—	—
Niue		2	10	—	—	—	—	—	—	—	—	—	—	—	—
New Caledonia		2	129	—	—	—	—	—	25	—	—	—	—	—	7
Papua New Guinea		—	79	14	—	—	8	—	4	13,039	955	517	—	—	22
French Polynesia		3	10	—	—	—	239	—	—	—	—	—	—	—	—
American Samoa		—	32	—	—	—	—	—	—	—	—	—	—	—	—
Western Samoa		—	18	—	—	—	—	—	22	1,066	—	—	48	—	—
Solomon Islands		—	1,068	—	—	—	—	259	—	3,792	—	—	—	—	—
Tonga		—	187	—	—	—	3	—	—	188	—	—	—	—	—
Tuvalu		—	99	—	1	—	—	—	—	—	—	—	—	—	—
Vanuatu		—	—	—	—	—	1,077	—	—	—	—	—	—	—	—

(Source) South Pacific Commission, *South Pacific Economies 1980: Statistical Summary*, Noumea, 1982, Table 7.

1.2 Development and the “Pacific Way”

The peoples’ relatively-higher standard of living in this region is also reflected in some social indicators shown in Table 1–8.

Table 1-8 The Pacific Island Countries: selected social indicators (1980)

	Life expectancy at birth (male/female)	Literacy rate (%)	School enrollment ratio (1st/2nd levels) (male/female) (%)	Population per physician	Food Supply (calories per)
Cook Islands ⁽¹⁾	64	73	90	1,500	n. a.
Fiji ⁽²⁾	66/70	79	94/93	2,308	2,577
Kiribati ⁽¹⁾	52	87	100	3,000	n. a.
Papua New Guinea ⁽²⁾	51/50	30	46/30	14,550	2,248
Solomon Islands ⁽¹⁾	54	72	72	6,666	n. a.
Tonga ⁽¹⁾	58	92	75	3,000	n. a.
Western Samoa ⁽¹⁾	62	98*	80	2,884	n. a.

(Source) (1) Asian Development Bank, *Key Indicators*, April 1981.

(2) Statistical Office, United Nations (DIESA).

* Dr. Crocombe points out that this figure seems higher than the real figure. Comparing it with the school enrollment ratio. I agree with his guess. These statistics may be considered only indicative in many cases in the Pacific area.

This table reveals that the Pacific Island countries (except Papua New Guinea which has common characteristics of underdevelopment with other developing countries) have a relatively-higher performance in social development. The existence of a large subsistence economy should complement the social development at the village level. We do not see any sign of extreme misery and social life is rather stable and calm on many islands.

On the basis of this fact, some observers are tempted to see a picture of "paradise" here and they advocate that this peaceful life, which seemingly fulfills the objective of development, should not be perturbed by the industrial world.⁽²⁰⁾ In a sense, the development is realized here and the development problem is rather that the outsiders should refrain from disturbing the islanders' life.

However, the development problems in the islands are, we have to say, rather complex and serious.

First, there are problems of smallness, dispersion of territories and remoteness from neighboring markets, which make the islanders' life costly, as we examined in the precedent section. They are also exposed to the worst consequences of natural disasters: tropical cyclones, hurricanes, earthquakes and tidal waves. As their land is generally small, the whole area could be affected by natural disasters and relief operations may be difficult to organize. This adds a high cost to the economy.

Secondly, as the island countries are exporters of primary products and importers of manufactured goods, and as they are importing almost all manufactured necessities from the developed market, the island economies are exposed to both an imported inflation and a fluctuation of commodity prices. According to SPC statistics, retail prices in the 14 Pacific countries and territories increased over 10% for all of them in 1980⁽²¹⁾ (on a simple average, 17% for 14 countries and territories). One important cause of this domestic inflation must be the imported inflation factor since even the countries and territories that do not have their own Central Bank and national currency experience a high rate of inflation.⁽²²⁾ Of course, the worsening terms of trade that

we described before contribute to this phenomenon.

Thirdly, as modernization progresses (in the case of the Pacific Islands, tourism, education, industrialization and inflow of foreign resources are four factors which accelerate the wave of modernization), peoples' expectations have been raised. There is an inflow of people from the rural areas to the city, from the outer islands to the main island, and from the rural sector to the administration and other "modern" sectors. This move creates a gap between the expanding urban area and the stagnating (or stationary) rural area. At the same time, the need to conserve and protect the environment becomes serious in both the overpopulated urban area and the under-populated rural area. In both areas, the need for social capital increases.

Fourthly, there is the problem of unemployment and emigrant labor. We hardly see a serious phenomenon of generalized unemployment in the island economies. Table 1-9 shows some

**Table 1-9 Selected Pacific Island Countries:
Unemployment**

	(Thousands)	%
American Samoa (1981)	1.32	12.6
Fiji (1979)	0.17	2.1
Guam (1980)	3.50	9.9
Kiribati (1979)	2.80	8.0
New Caledonia (1981)	1.23	—
French Polynesia (1979)	0.25	—

(Source) ILO, *Yearbook of Labor Statistics* 1980, Chapter III; *id.* 1982, Chapter III.

of the available unemployment figures for the island countries but the statistical figures for unemployment and underemployment are misleading since the village society always protects an individual member of the community. However, as industrialization progresses, more and more people, mostly the dynamic members of the community, are willing to leave the village. At the same time, more and more young men and women who had a higher education cannot find suitable employment in the village and go

to the city and metropolitan countries to look for a job. Though reliable statistics are not available, this social problem is widely recognized and pointed out. It seems that, in the case of the Pacific Islands, the "pull" factor is more important than the "push" factor which, for some South Asian countries, is a major factor in the rural exodus. Every year, approximately 1,000 persons from the Cook Islands and Niue (the population of which amounted to 22,100 in 1979) emigrate to New Zealand as "long-term migrants." In Niue, there are 3,600 inhabitants of the island, but the Niueans who live in New Zealand already triple that number. The population of the Cook Islands was 21,323 in 1971 but it decreased to 18,500 at the end of the 1970s. (Now, nearly 18,000 Cook Islanders permanently live in New Zealand.) The same emigration move can be seen in Tonga (to Australia, New Zealand and U.S.A.), Western Samoa (to American Samoa), TTPI and American Samoa (to Hawaii, Guam and the west coast of the U.S.A.), Kiribati (to Nauru) and Tahiti (to New Caledonia and Vanuatu). This emigration of the young and dynamic labor force as well as the educated people seriously affects the development perspective of the islands.

That is why it would be wrong if we said that the Pacific Islands have already achieved the main targets of the "development" problem. They are very sensitive to the North-South issues as well as the domestic obstacles to socio-economic development. They have the particular problems of small island economies. The containment of inflation and the building of a self-reliant economy using local resources constitute one of the major development issues. They have to invest toward filling in the gap between urban and rural areas and to generalize modern amenities. They have to create employment, especially for the rapidly-increasing number of educated youth.

However, what type of development is it that the island countries long for and are willing to pursue? To what extent will the emphasis be on modernization (following the models of western countries), industrialization or export-oriented (including tourism) development?

Today, we often hear that the Pacific Island countries pursue development in the "Pacific way." This is a favored terminology often quoted by the Pacific Island leaders or in discussions at international conferences. It is sometimes used to indicate a rule in international relations and negotiation and, other times, an orientation in development or a value system through which one sees the world.

For the first sense of the term, we may quote several remarks made by the Pacific leaders.

"We are here in the spirit of the Pacific way, believing that dialogue and discussion in an atmosphere of tolerance and good will offers the best prospects for the settlement of the differences between us." (Tekoti Rotan, leader of the Banabau delegation in their negotiation with the Gilbert Islanders, 25 January 1975).⁽²³⁾

"We emergent nations in the Pacific would like to maintain the friendly relations that have existed with our former guides and protectors, beyond independence and into the future. It may be that the operation of independence in this —the Pacific way— is what will distinguish us from other parts of the world, where this has not always been so." (Ratu Sir Kamisese Mara, "Speech at the Pacific Island Leaders' Conference, 5 August 1971")⁽²⁴⁾

In these quotations, the "Pacific way" signifies an amiable way of negotiation and settlement of international problems.

For the second meaning of the term, we may refer to several symposiums which discussed development orientation in the islands region; among them the symposium on social issues in national development, organized jointly by SPC and the South Pacific Social Sciences Association in 1973⁽²⁵⁾ (the record of which was later published as "The Pacific Way") and the "Pacific Islands Conference: Development the Pacific Way," organized by the Pacific Islands Development Program (PIDP, The East-West Center, Hawaii) in 1980⁽²⁶⁾ are the most important.

In reading the records of discussion made at these symposiums, we may seize several connotations of the "Pacific way".

First, it is used in opposition to the traditional division of the Pacific people in local and tribal societies. Though the Pa-

cific people and islands have various traditions and cultures, they have begun to realize the common problems they share as "Ocean people." This is the first step in establishing and confirming their common identity.

Secondly, the Pacific has been a theatre of rivalry and division of big powers. The Pacific peoples have seen that Western and Japanese domination over this part of the world caused radical change which has often caused serious damage to the peoples and wealth of the region. After reflecting on past history, there are people who want to pursue their own way of development, based on their own civilization. This approach emphasizes the elements of diversity, tolerance, flexibility, participation and quality rather than quantity. When a leader says that "in our society no one was ever forgotten,"⁽²⁷⁾ this should already show a development way which emphasizes a needs-oriented development as well as distributive justice.

This effort by the Pacific peoples for the establishment of their own identity is the result of the fact that, as Ratu Mara noted, "we had reached a stage when we felt the urge and the need to control our own destinies, together with confidence in our own abilities to do so."⁽²⁸⁾ And the island countries are perfectly aware that, in pursuing their own autonomy, identity and development, their solidarity constitutes a solid countervailing power vis-a-vis the "divide and rule" policy of the big powers.

What is the content of this seemingly-elusive "Pacific way" development? Sione Tupouniua (at that time, of the University of the South Pacific) gives a concrete analysis for creating "greater economic independence."⁽²⁹⁾ According to him, the objectives to be achieved for an "independent and self-reliant economy" are as follows:

1. a basic orientation of production towards meeting the national demand,
2. a large capacity for the satisfaction of that demand quantitatively and qualitatively,
3. predominance of national citizens on all levels,

4. the ability to engage in international economic relations on terms of relative quality.

To achieve these objectives of economic independence, several means that the Pacific Island countries should promote are proposed. First, the establishment of an ideological framework "in which self-reliance must be believed to be possible and desirable" and the national economic strategies run according to this ideological framework. The "Pacific way" philosophy should be particularly relevant and important in this regard. Second is the manpower development and the planned localization of staff. Tupouniua points out that the western-oriented education has created a "literary-traditional" elite rather than one oriented to development requirements, the consequence of which is that professionals and technicians tend to be expatriates in their own islands. The third area of emphasis is on agricultural and rural development. The needs for diversification of agricultural crops, especially those substituting imports of food, and creating basic inputs for industrialization are stressed. Fourth is the industrialization and modification of the economic structure "through a greater array of both home and foreign market-oriented lines of production." It seems that Tupouniua suggests the conversion from an economy producing mainly primary export products to an economy producing goods which relate directly to the people's needs.

For this type of conversion, the active involvement of the public sector and public control over the economy are needed. National mobilization and input of all domestic resources in the production process would assure this strategy of conversion from an open and fragile export-oriented to a self-reliant and stable one. But, to realize a real national mobilization, altering the actual income distribution patterns would be indispensable. Here again, the public control of income distribution and foreign firms constitutes one of the necessary conditions. All these would require some sort of austerity which is just not favored by the continued inflow of foreign resources.

These are other major areas of the transformation process,

which would be supported by the “diversification of external economic links with emphasis on regional economic co-operation.”

Thus, the strategy for economic independence and a self-sustained economy indicates the need for the Pacific Island economies to strengthen their cooperation and to diversify the economic partners. In the PIDP conference, the Pacific leaders drew the objectives of development strategy as follows:

“The leaders were concerned with strategies to:

- achieve self-sufficiency
- meet basic human needs
- allow for control of their destinies
- speak with a united voice in international forums
- promote national development
- enhance regional cooperation

The underlying purpose of these strategies was to achieve a quality of life based on what exists in each island society and through the ‘Pacific way.’⁽³⁰⁾ (Proceedings, p. 8)

In both cases, the islanders consider the Pacific regional co-operation one important area of support for their future economic and social development. Next we will look at the actual efforts of regional cooperation in this region.

CHAPTER 2 The Pacific Regional Cooperation—Existing Framework

2.1 Two Regional Bodies—SPC and SPF

There are many inter-governmental cooperation bodies in the Pacific, among which the two largest multi-purpose ones are the South Pacific Commission (SPC) and the South Pacific Forum (SPF). Though discussion in both forums has been going on for several years for a possible fusion of the two organizations, they each continue to work actively. In fact, the nature, focus and functions of the two bodies have been different since their inception, though the areas of overlapping activities have tended to increase in recent years.

SPC was initially the product of the so-called “metropolitan

responsibility.” After the Second World War, in February 1947, six western powers who had interests in the Pacific area met in Canberra, Australia and signed the Agreement establishing the South Pacific Commission (the Canberra Agreement). These were Australia, France, the Netherlands, New Zealand, the U.K. and the U.S.A. The main objective of the Commission is to serve as “a consultative and advisory body to the participating Governments in matters affecting the economic and social development of the territories within the scope of the Commission and the welfare and advancement of their peoples.” (Article IV)⁽³¹⁾

The “territories” are those in the Pacific Ocean “which are administered by the participating Governments” and “which lie... south of the Equator and east from and including Papua New Guinea; and Guam and the Trust Territory of the Pacific Islands.” The six metropolitan powers felt the necessity of consulting and coordinating their colonial policy in the Pacific area, where the ravages of war were felt by the population. Therefore, this commission has been oriented towards being a technical cooperation body in the economic and social fields and was not instituted as a multi-purpose regional organization, including political consultation, that we see in other parts of the Third World, such as OAU or ASEAN.

However, during the 35 years of its existence, the Commission has experienced many—sometimes fundamental—changes in its character.

First, the composition of member governments changed. The Netherlands withdrew from the Commission in 1962, after it turned over the Dutch New Guinea (today’s West Irian) to Indonesia. In 1965, Western Samoa became a member upon attaining independence. Since then, the Republic of Nauru (1969), Fiji (1971), Papua New Guinea (1975), Solomon Islands (1978) Tuvalu (1980), Niue (1980) and Cook Islands (1980) joined. The original membership of six has been enlarged to 13, of which 8 are developing island countries.

Second, with the modification in the membership structure, the power relations have changed. The original agreement stipu-

lated that decisions be made by the senior commissioners of the six member countries. At the 1971 session of the Commission, a new voting formula was adopted⁽³²⁾:

Australia	4*
France	4
New Zealand	4
U.S.A.	4
U.K.	3
Fiji	1
Nauru	1
Western Samoa	1

* Australia was not to exercise the fourth vote until Norfolk Island participates in the South Pacific Conference.

The weigh votes for the ex-metropolitan powers were given on the premise that they represent territories (besides themselves) in the Pacific. Since then, the distribution of votes among participating governments was further modified to:

Australia	2
Fiji	1
France	4
Nauru	1
New Zealand	4
Papua New Guinea	1
Solomon Islands	1
U.K.	1
U.S.A.	4
Western Samoa	1

In this formula, the ex-metropolitan powers have a total of 15 votes and the newly-independent countries 5 votes.

Third, this modification of the voting formula is not the only expression of changing power relations. In fact, some fundamental change was brought to the structure of the organization. SPC estab-

lished a South Pacific Conference, which has "advisory powers as a body auxiliary to the Commission" (Agreement, Article IX). In 1974, as a number of governments acceded to independence or whose independence was being foreseen, the function of this South Pacific Conference was modified by a Memorandum of Understanding. According to the Memorandum, the former session of Commissioners and the South Pacific Conference were merged to meet annually as a single body, known as the South Pacific Conference. The Conference "examines and adopts" the Commission's work programme and budget for the coming year, and discusses any other matters within the Commission's competence."⁽³³⁾ To this Conference, participating governments to the Commission and other island governments--both independent and not independent--have the right to send a representative, each with one vote.

At the same time, two new committees were established. One is a Planning and Evaluation Committee, that prepares the work programme and budget for the Conference. It also decides two themes of regional interest (one social, one economic) and reports to be discussed by the Conference. Another is a Committee of Representatives of Participating Governments which approves the administrative budget, nominates the Commission's principal officers, and reports thereon to the Conference. These two Committees are composed of the participating governments, each of which have one vote.

In fact, we may say that the former competence of the Commission was transferred to the Conference and the former Commission (the session of Commissioners) was transformed into two Committees. The Commission is largely "democratized" and now the countries not participating in the Commission join the discussion, work programme or projects which affect their own region. We may note that, at the same time, the decisions at SPC meetings are made by consensus, and not by voting. The members of the South Pacific Conference are as follows (at the time of the 22nd Conference, 1982):

American Samoa	Niue (0.2)
Australia (33.6)	Northern Mariana Islands
Cook Islands (0.2)	Palau
Federated States of Micronesia	Papua New Guinea (0.85)
Fiji (0.85)	Solomon Islands (0.85)
France (14.0)	Tokelau
French Polynesia	Tonga
Guam	Tuvalu (0.2)
Kiribati	U.K. (12.3)
Marshall Islands	U.S.A. (17.0)
Nauru (0.85)	Vanuatu
New Caledonia	Wallis et Futuna Islands
New Zealand (16.3)	Western Samoa (0.85)

The countries with brackets are the participating states to SPC and the figures in the brackets show the proportion of the contribution. Other countries contribute voluntarily (the total contributions amounted to 0.8% of SPC's total income in 1981).

As we see, there are five ex-metropolitan countries and 22 island developing countries or territories. The South Pacific Conference has been held every year since 1974 and, in 1982, the 22nd Conference was held in Pago Pago, American Samoa. SPC has been concentrating its activities mainly on the level of technical cooperation which affects the "grass-roots" level ("people-oriented projects," says Mr. Francis Bugotu, fifth islander Secretary-General of SPC, in an interview with us) in agriculture, plant protection, forestry, marine resources, environmental and conservation management, rural technology, rural employment, community education and training, public health, socio-economic statistic, etc.

Since 1970, when Mr. Harry Moors of Samoa was nominated Secretary-General, more and more islanders took control of the daily management of SPC.

The South Pacific Forum (SPF) was established in 1971. This is a genuine regional organization composed, on the one hand, of Fiji, Tonga, Western Samoa, Nauru, and the Cook Islands, and, on the other hand, Australia and New Zealand. The next year, SPF set up the South Pacific Bureau for Economic Co-operation (SPEC), a research body, which acts as secretariat of SPF.

SPF was, in fact, a continuation of the Pacific Island Producers' Association (PIPA), which was created in 1965 by Fiji, Western Samoa, the Cook Islands, Niue, Tonga and the Gilbert and Ellice Islands. These Islands countries, which are producers and exporters of bananas, were not satisfied with SPC forums where the political or ECDC (in today's words) talks were excluded from the horizon of activities. These island countries, therefore, established PIPA in promoting cooperation in marketing, shipping and research of primary products. One scholar described this experiment in regional grouping as "an exercise in self-determination."⁽³⁴⁾ PIPA was terminated in 1973 with the development of SPF/SPEC activities.

At the first meeting of SPF, where the Heads of government gathered (Australia sent its Minister of External Affairs), the following subjects were discussed: intra-regional trade, organization of a regional shipping line, cooperation in civil aviation, foreign investment and joint tourism promotion, law of the sea, development of oceanic resources, education and training, improvement of telecommunication facilities, conservation of national parks, establishments of regional disaster fund, etc. Among its decisions, there are two items which show the "political character" of the organization. One was the urgent appeal that the Forum addressed to the French Government in protest of nuclear testing. The second is that the Forum expressed its view on the existing regional cooperation: while deciding its support to SPC, the Forum made clear "the hope that its procedures and activities would be modified and improved to suit present-day conditions"⁽³⁵⁾ Thus, SPF declared its intention to act as a "pressure body" on SPC.

In the thirteen years of its existence, the activities of SPF/SPEC have been efficient and vigorous. Ratu Sir Kamisese Mara, Prime Minister of Fiji, qualified them as "thriving and virile bodies."⁽³⁶⁾ As of 1982, the member countries of SPF/SPEC are as follows: Australia, Cook Islands, Fiji, Kiribati, Nauru, New Zealand, Niue, Papua New Guinea, Solomon Islands, Tonga, Tuvalu, Vanuata and Western Samoa (the Federated States of Micronesia is an observer). Only independent or self-governing countries are eligible

for membership. Financially, Australia, New Zealand and other island developing countries each finance a third of the budget (in 1981, it was A\$772,655). The SPF annual meeting is not public, unlike that of SPC. SPF/SPEC has established the South Pacific Regional Trade and Economic Co-operation Agreement (SPARTECA), of which we will make an analysis in the next section. SPF has established a regional shipping line: the Pacific Forum Line (PFL). PFL is administered by the Regional Shipping Council. Though there was a grant from West Germany for two cargo ships (in total, it has three ships, the other being chartered from New Zealand at a concessional base), PFL ran up a deficit of \$9 million by the end of 1981, half of which was contributed by New Zealand. One reason for this deficit could be that the needs for shipping feeder routes are uneven and these are rather small and resource-lacking islands (Kiribati, Tuvalu, Western Samoa, etc.) which depend heavily on the services of PEL. Another problem could be related to operating costs: oil price and labor. The last point was explained by one island leader: "the unions of metropolitan countries . . . want ships' crews to be paid at metropolitan rather than Island wage levels."⁽³⁷⁾

The other major achievement of SPF is the establishment of the Forum Fisheries Agency. It was established in 1979 to coordinate the fishing policy of the member countries (especially vis-à-vis the fishing countries) and to cooperate in the fisheries' information and management. Thirteen member countries of SPF all participate in it and the Federated States of Micronesia (FSM) serves as observer. The secretariat is located at Honiara, Solomon Islands.

SPF intends to establish a Regional Development Fund, for which SPEC has been organizing a study. SPF has been energetic and effective in the protest movement against the nuclear bomb tests, which have been carried out by France in French Polynesia, and Japan's project of dumping low-level nuclear wastes in the North Pacific.⁽³⁸⁾ SPEC has (jointly with SPC, ESCAP and UNEP) established the South Pacific Regional Environment Programme (SPREP). This programme aims at assisting island countries in

maintaining and improving their quality of life through proper management of their environment and resources.

Other areas of SPF/SPEC activities include: a market access survey to and Generalized System of Preferences (GSP) negotiation with developed countries, bulk purchasing of imports, regional long-term sugar agreement, telecommunications, energy, natural disaster fund (which had a budget of A\$480,000 in 1981), disaster preparation and relief, fellowship and training. For the technical cooperation projects, SPEC, which has 13 professional staff members, has cooperated with the UN, the Commonwealth, EC and other agencies.

For several years, there have been discussions of a possible merger of SPC and SPF. The island governments have become aware of the high cost of maintaining two regional bodies. The merger would aim to rationalize and streamline cooperation efforts. As the island countries take over the control of two bodies, it is only normal that the problem of unification has been raised.

However, the island governments are unable to make any decision, for which there are several reasons. On the one hand, the composition of SPC differs from SPF; the former includes the developed non-regional big countries. The closed discussion place of the Forum has been valuable for small countries in coordinating their policies vis-a-vis the big countries. However, if they excluded big countries from the fused body, the regional organization would suffer from lack of resources. On the other hand, some people argue that the political nature of SPF would be subject to "greater stresses than functional organizations"⁽³⁹⁾, but the loosened nature of the technically-oriented SPC would assure the stability of a regional body. In this author's view, the former reason weighs more on the attitude of the governmental leaders. There are a number of multi-purpose regional organizations which are developing technical cooperation, such as OAU, OAS, Organization of Islamic Conference, Caribbean Community and ASEAN. Secondly, the cohesiveness and strength of SPF has been largely forged through its multi-purpose nature of gathering towards big nations and extra-regional interests and there is no reason

to believe that a multi-purpose body would be more unstable than a purely functional body.

Actually, the Pacific Island countries face several options concerning the future of regional organizations. The first is to keep two bodies, as they are. This solution has the advantage and convenience of keeping two separate regional organizations. However, in this case, first, as SPF develops its cooperation activities, the coordination with SPC activities will be increasingly needed (as has been observed in the case of environment, fisheries, rural development and other areas). Secondly, the further development of SPC activities could be hampered to a certain extent by the budgetary limit. 93.2% of its US\$3.5 million budget in 1982 was financed by the developed countries and, as the latter face serious budgetary constraint, we could not expect a dramatic increase from these sources in the near future. Of course, SPF/SPEC might take over the expanding areas, but international organizations could not also afford to continue to finance them in the actual situation of budget constraints.

The second solution is the merger of SPF and SPC, as advocated by some people. In this case, a problem is posed regarding the membership of developed countries. If they were included, the island governments would lose the valuable forum through which they could coordinate action vis-a-vis big powers. If they were excluded, the island governments would lose main financial sources for SPC activities. The third solution is to restructure the actual SPF/SPEC and SPC organizations. According to this formula, the members of SPF would be the decision body of the new organization (let's call it, for example, the Pacific Forum—PF in abbreviation). In this organization, the newly free-associated states of the North-Western Pacific (FSM, Palau, Marshall Islands and, in future, New Caledonia and other still-dependent territories of the Pacific) would join it. PF would organize an annual Pacific Conference (PC—in our abbreviation), in which all island countries, self-governments, territories and developed countries participate. The actual membership of developed countries in SPC should be widened: together with the five existing members,

Japan and Canada, which are eager to promote a Pacific cooperation, could be added. These developed countries constitute the extra-regional members at PC. The actual SPEC could be transformed into the secretariat of PF and SPC could be its technical cooperation division. In this way, the island countries could considerably widen their horizon of activities from the South to the North of the whole Pacific, maintaining their autonomy at the same time. They would not only maintain the financial basis of activities but also enlarge it considerably since two big economic powers, situated in the north of the Pacific, would be associated with the organization.

The expanded Pacific organization would work as a multi-purpose regional body controlled by the island countries (developed big powers would only be associated with its technical cooperation activities), thus developing its activities in the whole Pacific area, enforcing its negotiating capacity with developed countries and coordinating the policies with neighboring regional organizations, in particular ASEAN and SELA.

Let's recapitulate the state of the regional affiliation of island countries in Table 2-1.

We may add that there is a regional education and cultural organization: the University of the South Pacific (USP). USP was established by Royal Charter in Suva in 1967 but has been working as a regional education institution. In the Council are Australia, New Zealand the Cook Islands, Fiji, Kiribati, Nauru, Niue, Solomon Islands, Tokelau, Tuvalu, Vanuatu, the U.K., the U.S.A. and Western Samoa (together with representatives of interest groups, academic staff and students). The finance for the University is derived from member countries. The grants offered by some developed member countries, international agencies and private sources supplement it. USP has four schools: Education, Natural Resources, Social and Economic Development, and Agriculture. As the only university in the SPF islands area except for Papua New Guinea, this institution, besides educating students in campuses in Suva, Fiji and Alafua, Western Samoa, has established nine extension centres in the Solomon Islands, Tonga, Tuvalu,

Table 2-1 Affiliation of the Pacific Island Countries to the Regional Organizations

	(1) SPC	SPF/SPEC	University of South Pacific	Pacific Forum Line	Forum Fisheries Agency
Cook Islands	+	+	+	+	+
Fiji	+	+	+	+	+
Kiribati	+	+	+	+	+
Nauru	+	+	+	+	+
Niue	+	+			+
Papua New Guinea	+	+		+	+
Solomon Islands	+	+	+	+	+
Tonga	+	+	+	+	+
Tuvalu	+	+	+		+
Vanuatu	+	+	+		
Australia	+	+	+	(2)	+
New Zealand	+	+	+	+	+
France	+				
United Kingdom	+				
U.S.A.	+				

(1) Other SPC members are: American Samoa, French Polynesia, FSM, Guam, Marshall Islands, New Caledonia, Palau, Tokelau, Wallis et Futuna.

(2) Australia is not a member of the Pacific Forum Line but it has supported PFL financially.

the Cook Islands, Kiribati Niue, Western Samoa and Vanuatu. Thus this multi-national university develops educational and training activities through its extension programme. USP has approximately two thousand full-time students, of which 71% were Fijians in 1978, and about 3,000 more take formal credit courses through the extension system. USP is the first University in the world to teach regular credit courses by satellite. In addition, more than 7,000 other students take non-credit continuing education programmes. We may note that "for most of the member countries nearly all their graduates come from USP."⁽⁴⁰⁾ However, some countries use the University of Papua New Guinea, and Australian, New Zealand and other Universities to form their students (USP does not teach such subjects as Law, Engineering, Forestry and others). Thus, USP has contributed largely to the development of higher education, research, training publication and other cul-

tural activities in the Pacific area, though its character remains mainly for "English-speaking countries."⁽⁴¹⁾

2.2 Other Cooperation Forums—SPARTECA, Commonwealth, Lomé Agreement

The South Pacific Regional Trade and Economic Co-operation Agreement (SPARTECA) was instituted after the signing of it by most SPF Governments at their eleventh meeting in 1980. SPARTECA has been in effect since January 1981. In this Agreement, Australia and New Zealand provide tariff concessions to the following countries: Cook Islands, Fiji, Kiribati, Nauru, Niue, Papua New Guinea, Solomon Islands, Tonga, Tuvalu and Western Samoa. SPARTECA has established a Regional Committee on Trade which reviews and considers the operation of the Agreement and its Schedules.

SPARTECA follows the example of the Lomé Convention of EEC—ACP(African, Caribbean and Pacific countries)—which we will discuss soon—according to which developed countries offer tariff concession to associated developing countries, thus assuring the expansion of regional trade. After two years of its establishment, it is still too early to evaluate its operation. However, it has already been reported that exportation of certain manufactured goods (canned fish, veneer sheets and citrus juices) from Fiji has increased, though that country's general exports to Australia/New Zealand have stagnated or declined from 1980 to 1981: this decline was related to the fall in prices of primary products, including sugar, Fiji's principal export item.

For the Pacific Island countries, this sort of agreement should be valuable. First, in general, a developing country that aims at industrialization would be supported by this type of regional agreement since, to a certain extent, it assures market access for its products. Australia presented a positive list (which enumerates the items for which tariff exemption is allowed) and New Zealand a negative list (which enumerates the items for which tariff exemption is not al-

lowed): they are attached as annexes to SPARTECA. In general, developed countries accord tariff concession for raw materials, but not easily for manufactured goods. So, if developed countries accord tariff concession for manufactured goods, it would support industrialization in developing countries, assuring a market for the latter's infant industries. Secondly, for this purpose, in the forums of UNCTAD, the general schemes of preferences (GSP) were established. However, in the case of Pacific Island countries, which are geographically handicapped by their distance from markets of developed countries, GSP are not considered very helpful in accelerating their export since freights and insurance add substantial cost to such exports, which are not necessarily competitive due to the small size of their markets. In this context, the regional agreement would be considered appropriate and the Pacific Island countries might, in the future, establish the same type of agreement with other Pacific developed countries: USA, Canada and Japan. In this sense, SPARTECA would set a valuable precedent. On the other hand, although SPARTECA would expand further the trade between developed and developing countries, it might have a negative effect on intra-regional trade, the result of which could be rather detrimental to South-South trade in this region, which has been extremely limited (we saw this problem in 1-1). Also, SPARTECA could encourage importation of products in which developed countries are most interested, thus influencing the development orientation of developing countries (this is the same problem which is inherent in the EC-ACP Lomé Convention).

Taking all these points into account, we may say that SPARTECA constitutes a positive move toward consolidating the regionalism movement in the South Pacific and this tie, established through SPF, between two developed countries of Oceania and the Pacific Island developing countries could not be ignored by anyone outside the region.

The activities of the Commonwealth have been important in

the Pacific Area, since almost all of the SPF countries are English-speaking and members of the commonwealth and technical co-operation activities of the Commonwealth have emphasized assistance to the small island countries.

As of the end of 1981, 11 countries out of 44 members of the Commonwealth belong to the Pacific area: Australia, Fiji, Kiribati, Nauru, New Zealand, Papua New Guinea, Solomon Islands, Tonga, Tuvalu, Vanuatu and Western Samoa. The Commonwealth is the extra-regional international organization where the Pacific countries are proportionally most represented. The Commonwealth took the initiative of establishing the South Pacific House, a joint diplomatic facility at the UN for small nations.

One ex-official of SPC from Tonga explained why the English-speaking Pacific countries have affection for the Commonwealth, enumerating the following four reasons:⁽⁴²⁾

1. The historic and cultural ties with the U.K. and the Commonwealth make them feel sympathetic to and familiar with the activities of the Commonwealth. The informality in the Commonwealth meetings enforces this feeling.
2. In the various levels of the Commonwealth meetings, all members are treated equally and this feeling is particularly important for small nations.
3. The participation in the Heads of Government meeting would increase the prestige of the leaders of government.
4. The participation in the Commonwealth would assure the economic assistance and technical cooperation from developed countries associated with the Commonwealth as well as the technical assistance of the Commonwealth itself.

We may add that the Commonwealth meetings offer to the Pacific Island countries an appropriate international forum for voicing their problems, being heard with sympathy and influencing the international public opinion. In this regard, we may note that the biannual regional meetings of Heads of Government of the Commonwealth in South and Southeast Asia and the South Pacific (Conference of Heads of Government of Regional Meeting—CHOGRM) have been held since 1978. In the Suva regional meet-

ing of 1982, sixteen regional Heads of Government gathered. They discussed international political and economic trends with which they were directly concerned, and consulted on furthering economic and functional cooperation in the Asia and Pacific region. They have established regional groups on trade, energy, industry, illicit drug traffic and international terrorism. CHOGRM is very active in developing regional programmes and has been working closely with SPEC. At the same time, we should recognize that the Commonwealth Fund for Technical Cooperation (CFTC) has become an important tie which associates these countries with the other 33 nations of the Commonwealth. Every year, CFTC, which was established in 1971, spends approximately £10 million on general technical assistance, education and training, advice and consultation among member countries. The contribution to the Fund is pledged by member nations and is spent mainly on projects without maintaining a "costly bureaucratic structure."⁽⁴³⁾ Though three-quarters of its budget is financed by the developed countries, CFTC has been widely used by member nations as an appropriate instrument for South-South cooperation and has developed as such. For example, we rarely see in other schemes of international cooperation (except the UN) that a Ugandan advisor was sent to Vanuatu for administrative reform or that West Samoans were sent to Singapore for training in printing. In the Pacific area, CFTC has been used largely for education projects (mainly through USP) and the projects of the Industrial Development Unit, which advises on the feasibility of small-scale industrial projects and has contributed to the achievement of tangible results. The uniqueness in the scope of the projects as well as the composition of the Commonwealth members has been valuable for island countries.

There is another important institutional regional arrangement in the Pacific area. This is the Lomé Convention between EEC and ACP countries. There are 58 ACP states that signed the association agreement with EEC, among which eight are from the Pacific: Fiji, Kiribati, Papua New Guinea, Solomon Islands, Tonga, Tuvalu, Vanuatu and Western Samoa.

The first Lomé Convention was signed in 1974 and covered

the period 1975–1979. As a consequence of the U.K. joining the EC, the former Yaoundé Agreements of overseas association of EEC with African countries (ex-colonies) were enlarged to include Caribbean and Pacific countries. At the same time, there is a qualitative change in the form of association by the Lomé Convention. Now, non-reciprocal aspects of cooperation are considerably strengthened.⁽⁴⁴⁾

(1) EEC unilaterally offers free access to the products from ACP countries (under the 2nd Lomé Convention, 99.5% of ACP products are covered). Though the EEC imports from ACP account for approximately 7% of its total imports (in the 1970s average) for ACP countries, their exports to EEC amount to half the total exports. The majority of EEC imports from ACP are still raw materials: in 1978, oil, coffee, cocoa, copper, timber, sugar, iron ore, groundnut, aluminum and cotton constituted 80% of the total imports.⁽⁴⁵⁾

This non-reciprocal tariff concession would be useful, in the future, for promoting industrialization in ACP countries.⁽⁴⁶⁾

(2) The “Stabex” (stabilization of export earnings) scheme was established. EEC assures a minimum income to ACP for their earnings from exportation of certain products (44 under Lomé II), including cocoa, coffee, peanuts, teas and sisal (when the stabex is applied, the export earnings from the product should amount to more than 6.5% of the total export earnings of the country concerned and 2% of the LDCs). Stabex applies to goods exported to the community and should be reimbursed when the conjuncture becomes favorable (this reimbursement obligation is not applied to the 35 least-developed countries). Under Lomé I, the payment for Stabex amounted to ECU (European Currency Units) 382 million (11% of expenditure from the European Development Fund). Minerals (copper phosphates, manganese, bauxite, aluminum and tin) are added to the products subject to Stabex compensation under Lomé II (It is called “Minex,” but the payment for the Minex scheme is not automatic, unlike Stabex. It is subject to EEC approval; Minex is also associated with a quasi-most-favored nation clause for investment codes to promote joint-venture enterprises of EEC and ACP in mining development.)

(3) EEC accords a substantial amount of financial and technical cooperation through the European Development Fund (EDF). EDF was instituted in 1958 when EEC was created. Since then, there were four EDFs and the fifth EDF, which amounts to ECU 5,692 million, started with Lomé II for the period from 1981–1985 (under Lomé I, the fourth EDF budgeted an available resource of ECU 3,286 million—these figures are current prices). EDF consists mainly of grants (62% of its expenditure under Lomé I) and loans (24%). We may note that two special funds were established in the framework of EDF: one is a fund for industrial investment, commercial promotion and regional projects affecting more than one country. In the Pacific area, for example, nearly 25% of EDF has been used for regional cooperation projects. Another is the fund destined for least-developed, island and land-locked countries. Among the seven Pacific Island member countries, Kiribati, Solomon Islands, Tonga, Tuvalu, Vanuatu and Western Samoa are listed as “least-developed” and Fiji and Papua New Guinea as “island countries.” In fact, all Pacific Island countries of ACP are eligible for the use of this fund.

We may note another important aspect of EEC–ACP Lomé Convention. This concerns the workings of ACP countries themselves. The ACP Group was formed when these small countries began to negotiate with EEC. However, ACP countries, having established their own secretariat, proceeded to promote their own “intra–ACP cooperation.” The first manifestation of this move was an ACP Group meeting held in Suva, Fiji in April 1977. They adopted the “Suva Declaration,” which intends to promote “cooperation and self-reliance,” defining six areas of intra-ACP cooperation: (1) transport, communications and other services; (2) trade; (3) development of intra–ACP enterprises and cooperation in production; (4) development finance; (5) technology, know-how and technical assistance; and (6) cultural, scientific and educational cooperation. The regional cooperation projects among ACP countries should be financed by the resources of both EDF and ACP countries.

We will recapitulate in Table 2–2 the affiliation of the Pacific

Table 2-2 Affiliation of the Pacific Island Countries to selected International Groupings

	SPARTECA	The Commonwealth	EEC-ACP Lomé Convention
Cook Islands	+		
Fiji	+	+	+
Kiribati	+	+	+
Nauru	+	+	
Niue	+		
Papua New Guinea	+	+	+
Solomon Islands	+	+	+
Tonga	+	+	+
Tuvalu	+	+	+
Vanuatu		+	+
Western Samoa	+	+	+
Australia	+	+	
New Zealand	+	+	

Island countries with these three international groupings.

(To be continued)

NOTES

- 1 R.G. Crocombe, *The New South Pacific*, revised ed., Wellington: Reed Education, 1978, pp. 87-92.
- 2 German and Japanese were also spoken in some parts (Micronesia, New Guinea, Western Samoa and Nauru) for a relatively short period.
- 3 The Cook Island and Niue have complete autonomy except for defense and their citizens keep a New Zealand citizenship. In the case of freely-associated states of Micronesia, the governments delegate the defense to the U.S.A.
- 4 We have very little information about Wallis et Futuna. These islands have been secluded in practice. Robert Trumbull, author of *Tin Roofs and Palm Trees* (Canberra: Australian National University, 1977), says: "France has discouraged contact with Wallis and Futuna by outsiders other than Frenchmen. After an unfavorable report on health and hygiene in the islands by a team from the South Pacific Commission, no further visits by the Commission's staff are allowed. . ." (p. 118)
- 5 Herbert Corkran, *Mini-nations and Macro-cooperation: The Caribbean and the South Pacific*, Washington, D.C.: North American International, 1976.
- 6 E.A.G. Robinson, ed., *Economic Consequences of the Size of Nations*, proceedings of a conference held by the International Economic Association, London: Macmillan, 1960; R.T. Shand, "Island smallness: some definitions and implications," in R.T.

- Shand, ed., *The Island States of the Pacific and Indian Oceans: Anatomy of Development*, Canberra: Australian National University, 1980; "Progress in the implementation of specific action in favour of developing island countries," report of the Secretary-General (A/32/126 and Add. 1).
- 7 See Paul Bairoch, *Révolution industrielle et sous-développement*, 4e éd., Paris: Mouton, 1974.
- 8 UNCTAD, Resolution 98 (IV) on the "Least developed among the developing countries, developing island countries and developing land-locked countries."
- 9 UNCTAD, "Specific action related to the particular needs and problems of island developing countries," Report by the Secretariat (TD/242; 19 February 1979), VI.15.
- 10 1 Australian \$ corresponds to roughly 1 US\$ in 1982.
- 11 Dr. Fisk of the Australian National University called it a "subsistence affluence." cf. E.K. Fisk, "Development and Aid in the South Pacific in the 1980s," mimeo.
- 12 For the detailed discussion on geological conditions in the context of development issues, see R.G. Ward, "The Environment Context," in R.G. Ward and A. Proctor, ed., *South Pacific Agriculture. Choices and Constraints*. Asian Development Bank/Australian National University Press, 1979, pp. 3–25.
- 13 Robert Trumbull, *Tin Roofs and Palm Trees. A Report on the New South Seas*. Canberra: Australian National University Press, 1977, p. 169.
- 14 Donald M. Topping, "A Statement of Language Policy and Planning in Micronesia," mimeo, August 19, 1982 (Social Science Research Institute, University of Hawaii at Manoa). A UN report on the education system in TTPI notes: "the educational system based on the American model, has resulted in problems of personal identity for many graduates vis-a-vis their traditional culture as well as a growing frustration amongst many students who, upon completion of their schooling, are unable to find jobs commensurate with their skills." UN Department of Political Affairs, Trusteeship and Decolonization, *Decolonization* No. 16: "Issues on the Trust Territory of the Pacific Islands," p. 34.
- 15 ESCAP, *Economic and Social Survey of Asia and the Pacific 1981* (UN Sales No. E.82.II.F.1), p. 120.
- 16 Nickel is included in the "manufactured goods" column in Table 2–3.
- 17 This problem is studied in an UNCTAD document which finds that the "Commodities that are exported under international stabilization agreements experience, as a result of such experiences, greater stability than those which are not." E.V. Sevele, "The Benefits of the Integrated Programme for commodities for island developing countries" (TD/B/891. TD/B/C.1/232; 3 August 1982), p. 34.
- 18 The intra-regional export figures for SPC developing countries amount to A\$38 million and the total exports figure is A\$1,823 million. See SPC, *The South Pacific Economies in 1979: Statistical Survey*, April 1982, p. 14.
- 19 The International Development Strategy for the Third UN Development Decade stipulates: "The developing countries will continue to place increasing emphasis on collective self-reliance as a means of accelerating their development and contributing to the establishment of a new international economic order." (DPI, *International Development Strategy*: 1. Preamble Section, p. 2).
- 20 This research tradition began with Margaret Mead when she found the Samoan people calm and peaceful and devoid of mental stress and social conflicts, which are

the common problems of the industrial world., cf. M. Mead, *Coming of Age in American Samoa: A Psychological Study of Primitive Youth for Western Civilization*, New York: W. Morrow and Co., 1928. Dr. George Kent notes, while recognizing the lack of material wealth as well as the "distortion" in the island economies: "By some standards, the Pacific Islands must be regarded as quite highly developed. With few exceptions, they are peaceful and stable, and they have social structures which are effective in meeting the basic needs of their people." (G. Kent, "Development Problems of Pacific Islands," *The New Pacific*, Nov.–Dec. 1981, p. 21).

- 21 Cook Islands, 16%; Fiji, 15%; Guam, 20%; Kiribati, 17%; Niue, 15%; New Caledonia, 12%; Papua New Guinea, 12%; French Polynesia, 11%; Western Samoa, 32%; Solomon Islands, 16%; Tonga, 23%; Tuvalu, 13%; and Vanuatu, 18%. SPC, *South Pacific Economies in 1979. Statistical Summary*, Table 11.
- 22 Among the 13 countries and territories cited in note 21, this is the case for Cook Islands, Guam, Kiribati, Niue and Tuvalu. French Polynesia and New Caledonia use C.F.P. francs, issued by the Institut d'Emission d'Outre-Mer in Paris.
- 23 Quoted by Ron Crocombe, *The Pacific Way: An Emerging Identity*, Suva, Lotu Pasifika Productions, 1976, p. 15.
- 24 Ratu Sir Kamisese Mara, *Selected Speeches*, Suva, Government Printer, 1977, p. 106.
- 25 cf. Simone Tupouniua, Ron Crocombe and Claire Slatter, ed., *The Pacific Way. Social Issues in National Development*, South Pacific Social Sciences Association, 1975.
- 26 Pacific Islands Development Program, *Proceedings of the Pacific Islands Conference: Development the Pacific Way*, (March 26–29, 1980), Honolulu, Hawaii.
- 27 Ratu Sir Kamisese Mara, "Currents in the Pacific: Dillingham Lecture, East-West Centre, Hawaii, 30th July 1975," in *Selected Speeches*, p. 125.
- 28 Ratu Sir Kamisese Mara, *ibid.*, p. 127.
- 29 Simone Tupouniua, "Political Independence: An Opportunity to Create," in S. Tupouniua, et al., *The Pacific Way*, pp. 239–247.
- 30 The major objectives of the development described here were taken by UNDP as priority areas of assistance in its inter-country programme (1982–86) for the Pacific.
- 31 Dr. Crocombe explains the historical circumstances which led to the creation of SPC as follows: "After the Second World War came a period of mixed idealism, remorse and self-interest when the colonial powers re-evaluated their past history and their future long-term interests. They decided to provide more opportunities for economic participation by the Pacific peoples, lest the colonial powers be rejected and lose not only commercially and politically, but also strategically, as there was a fear of communism spreading. . . The creation of the South Pacific Commission reflected this general feeling." (R. Crocombe, *The New South Pacific*, p. 26).
- 32 Herbert Corkran, *Mini-nations and Macro-Cooperation*. . . , p. 114.
- 33 The South Pacific Commission, *History, Aims and Activities*, 7th edition, Noumea, June 1982.
- 34 Gregory E. Fry, "Regionalism and International Politics of the South Pacific," *Pacific Affairs*, Fall 1981, pp. 462–463.

- 35 The South Pacific Forum, *Final Communiqué*, 7 August 1971.
- 36 Ratu Sir Kamisese Mara, *Selected Speeches*, p. 129.
- 37 The remarks of Asi Aiken, Minister of Justice of Western Samoa, at the "Pacific Islands Conference: Development the Pacific Way," *The Proceedings*, p. 27.
- 38 "It is interesting to note that as a result of this [Forum appeal] and other strong protests, including a threat by Peru to break diplomatic relations, France announced on September 1, 1971, that the tests would be terminated much sooner than had originally been scheduled." (Herbert Corkran, *Mini-nations and Macro-Cooperation*, p. 177. France gave up atmospheric tests and moved to underground nuclear tests in Mururoa Atoll, which has still been criticized by international opinion and the Pacific nations. Confronted by similar protests against its planned disposal of low-level nuclear wastes in the Pacific, Japan has often sent missions of explanations to the SPF countries but in vain: the project has always been suspended.
- 39 Richard A. Herr, "Institutional Sources of Stress in Pacific Regionalism," Working Papers Series, Pacific Islands Studies Center for Asian and Pacific Studies in collaboration with the Social Science Research Institute, University of Hawaii, Honolulu, Hawaii, 1980.
- 40 Gregory E. Fry, *South Pacific Regionalism: The Development of an Indigenous Commitment*, unpublished M.A. Thesis, School of General Studies, Australian National University, Canberra, 1979, p. 163. I owe the description of USP to this very comprehensive work by Professor Fry on South Pacific regionalism.
- 41 USP Calendar 1974, quoted by G. Fry, *South Pacific Regionalism*. . . , p. 161.
- 42 Sione Kite, "The Micro States of the South Pacific. An examination and analysis of their membership in the Commonwealth as compared with the importance of their membership in regional and international organizations," Institute of Commonwealth Studies, University of London, 1974, p. 10.
- 43 *Report of the Commonwealth Secretary-General 1981*, p. 70.
- 44 There are plenty of studies both on the Yaoundé Agreements and Lomé Conventions. In writing these lines, I mainly consulted official EEC-ACP documents, however, I would like to name some recent studies: E. Frey-Wouters, *The European Community and the Third World: The Lomé Convention and Its Impact*, New York: Praeger, 1980; Ch. Stevens, ed., *EEC and the Third World: A Survey*, London: Hodder and Scoughton, 1981; S.K.B. Asante, "The Lomé Convention: Towards Perpetuation of Dependence or Promotion of Inter-dependence?," *Third World Quarterly*, 3, no. 4 (October 1981), London, pp. 658–672. EEC publishes a bimonthly magazine, "The Courier," on EEC-ACP relations.
- 45 Adrian Hewitt and Christopher Stevens, "The Second Lomé Convention," in Ch. Stevens, ed., *EEC and the Third World: A Survey*, p. 36. Table 3.2.
- 46 It was reported that between 1975 and 1977, when the ACP exports of clothing rose by 93%, EEC "leaned on the Ivory Coast to discourage it from developing an export capacity." *Id.*, p. 37. How far ACP countries could use this trade concession for their industrialization will depend on future power relations between the North and the South in general and EEC and ACP in particular.